

WORKING WITHOUT BORDERS

The Promise and Peril of Online Gig Work









Online gig platforms are enabling new forms of work; based on the nature of tasks, online gig work is of two types.

Online freelancing

-  **Design, multimedia and creative work**
Examples: Logo design, website design, visualizations
-  **Business and professional management**
Examples: Legal- or management consulting, architecture
-  **Business and professional support**
Examples: Research support, proofreading, bookkeeping
-  **Sales and marketing support**
Examples: Search engine optimization, social media marketing
-  **Data entry, administrative and clerical tasks**
Examples: Data entry tasks, virtual assistants
-  **IT, software development and tech**
Examples: Data analyst, backend- or frontend developers
-  **Writing and translation**
Examples: Content writing, ghost writing, translation

Online microwork

-  **Online microtasks**
Examples:
 -  **Image tagging**
 -  **Text transcription**
 -  **Video annotation**
 -  **Survey completion**
 -  **Data verification**

Source: Elaboration by the team |

 Freelance  Microwork

Six questions that this report addresses

SUPPLY

1. How many online gig workers are there?

2. How inclusive is the online gig economy?

PLATFORMS

3. In a market dominated by a few large global platforms, what is the role of local platforms?

DEMAND

4. What types of firms are demanding gig workers, for what tasks, and why?

BALANCING RISKS AND OPPORTUNITIES

5. How should developing countries address the lack of social protection for gig workers?

6. How can operational programs be designed to tap the opportunities of gig work but also safeguard workers?

The study relies on an innovative mix of data sources and methodologies.



Data science-based methods, including web scraping and natural language processing, combined with web traffic data and multiple proprietary firm databases



Global survey deployed in **17 countries** and **12 languages** using the experimental Random Domain Intercept Technology (RDIT)



Platform surveys of online gig workers conducted on 10 platforms



Interviews with key stakeholders including 28 platforms, practitioners, private sector, policymakers



Survey of firms to understand dynamics in the demand for online gig work



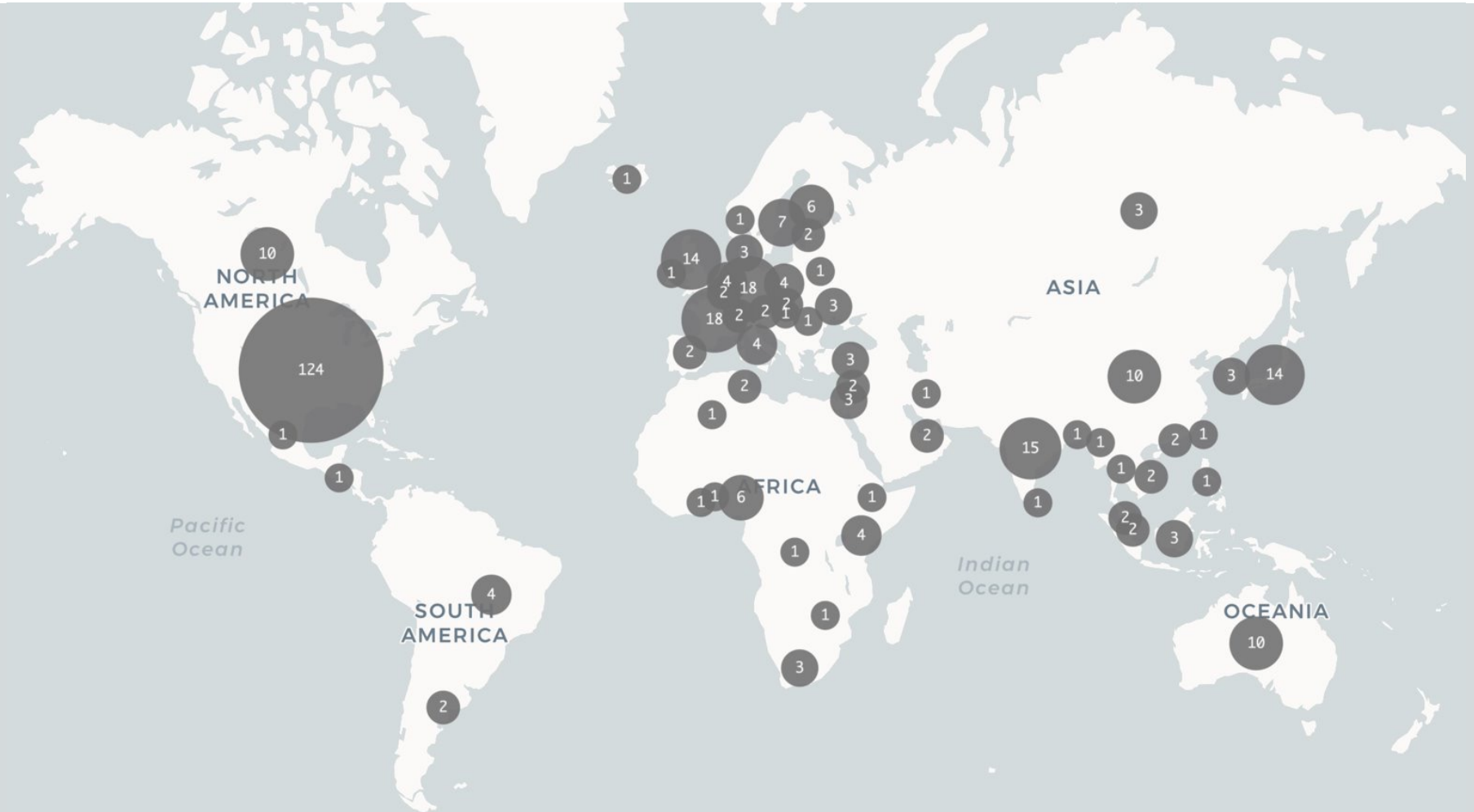
Focus group discussions with online gig workers



Five country deep dives Indonesia, Pakistan, Malaysia, Kosovo, Bangladesh

Building on proprietary firm databases and using data science methods, we find 545 online gig work platforms across the globe.

Global distribution of online gig work platforms by headquarters

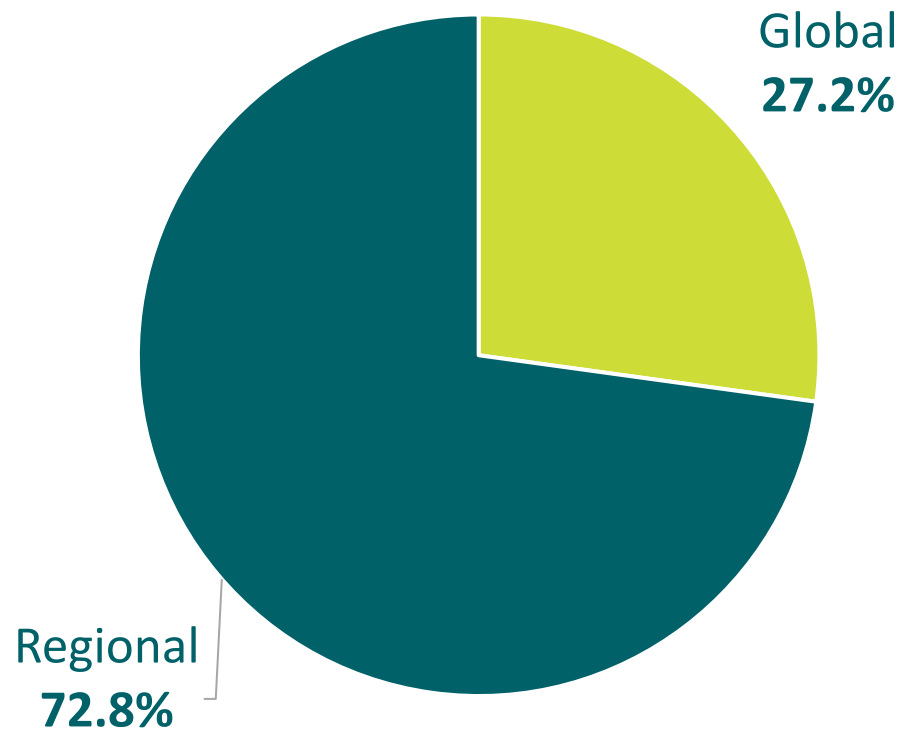


Note: Bubble size is proportional to the number of platforms.

Source: Team database

Almost 3 out of 4 platforms are regional/local, but they are often overlooked in most studies.

Share of global and regional/local online gig platforms



Source: Team Database

Note

We used website traffic data to classify platforms as regional or global. A gig work platform was classified regional if more than 60% of the monthly average traffic (weighted by internet users) originated from a single region. Robustness checks with different thresholds were conducted.

Online gig work is a growing and non-negligible new form of work: it accounts for up to **12%** of the global labor force.

To overcome limited data, the report uses an innovative combination of mixed methods including:

- ✓ Data science methods
- ✓ Global survey in 12 languages to reach non-English speaking online gig workers



Method 1
Data science

154 million online gig workers
4.4% of the global labor force



Method 2
Global survey

435 million online gig workers
12% of the global labor force

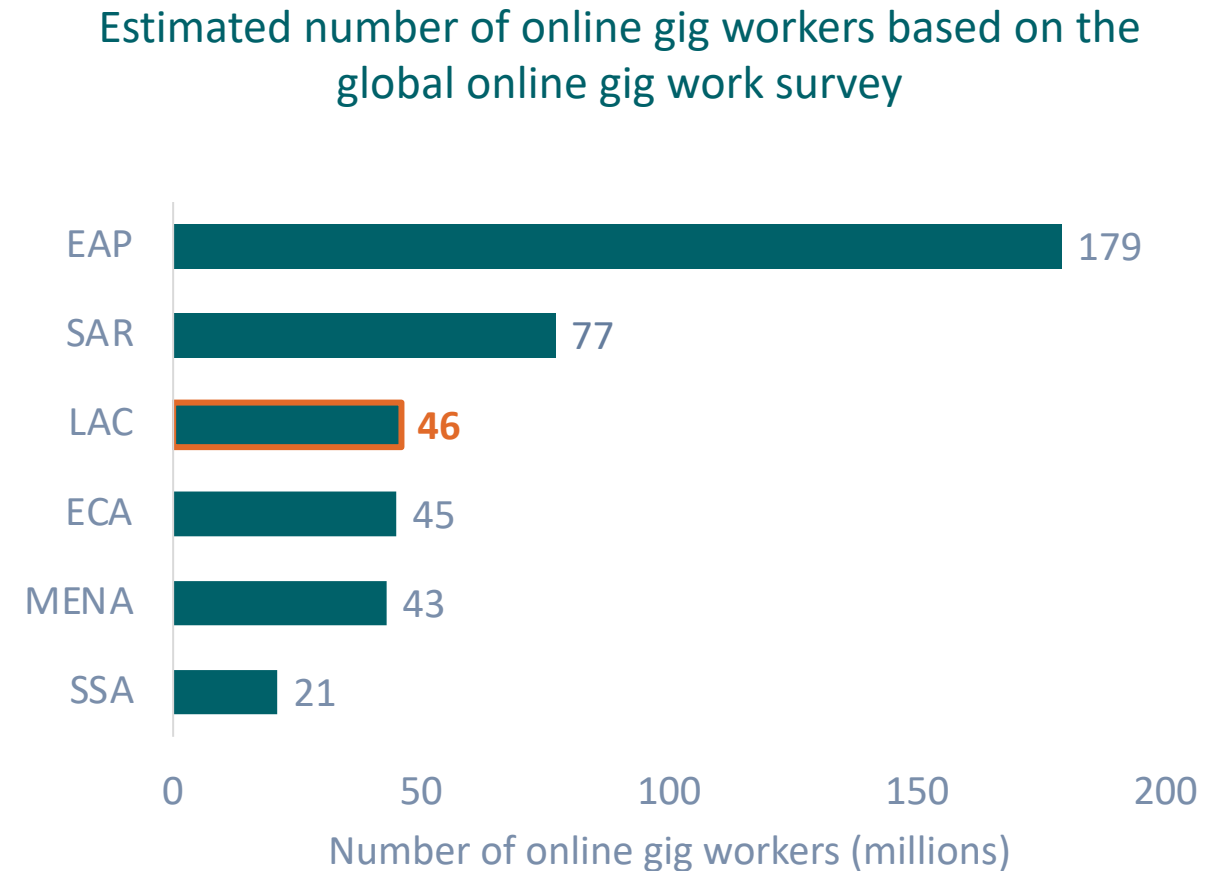
Lower bound



Upper bound

There are about 46 million online gig workers in Latin America and the Caribbean.

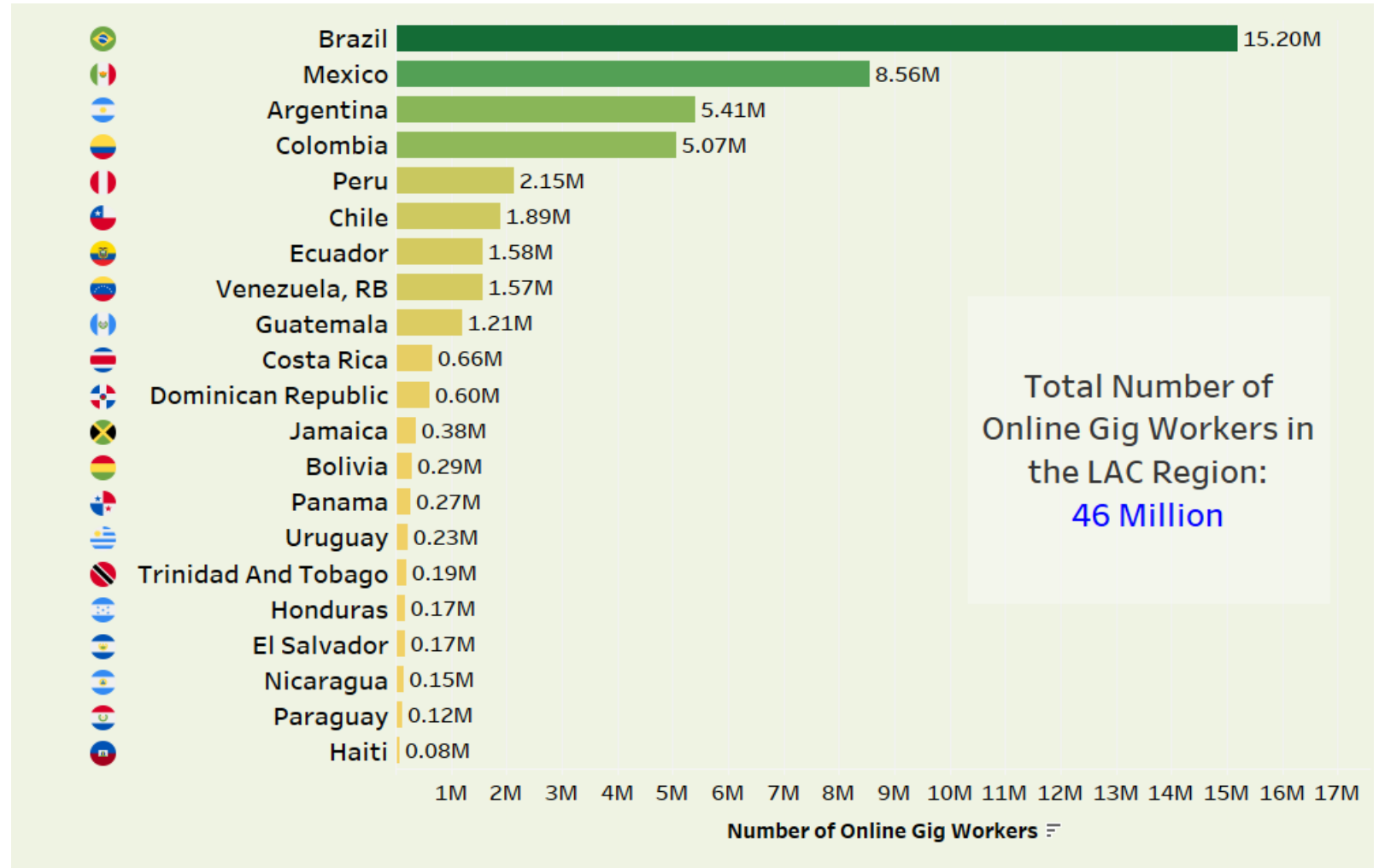
- Based on the results of the **global online survey**, we estimated the size of the online gig work population in each World Bank region.
- Out of the estimate of **435 million online gig workers** globally, **46 million** are in LAC.



Source: Team Analysis of global RDIT survey.

The largest population of online gig workers in LAC is in Brazil, followed by Mexico.

Estimated number of online gig workers in select countries in the LAC region

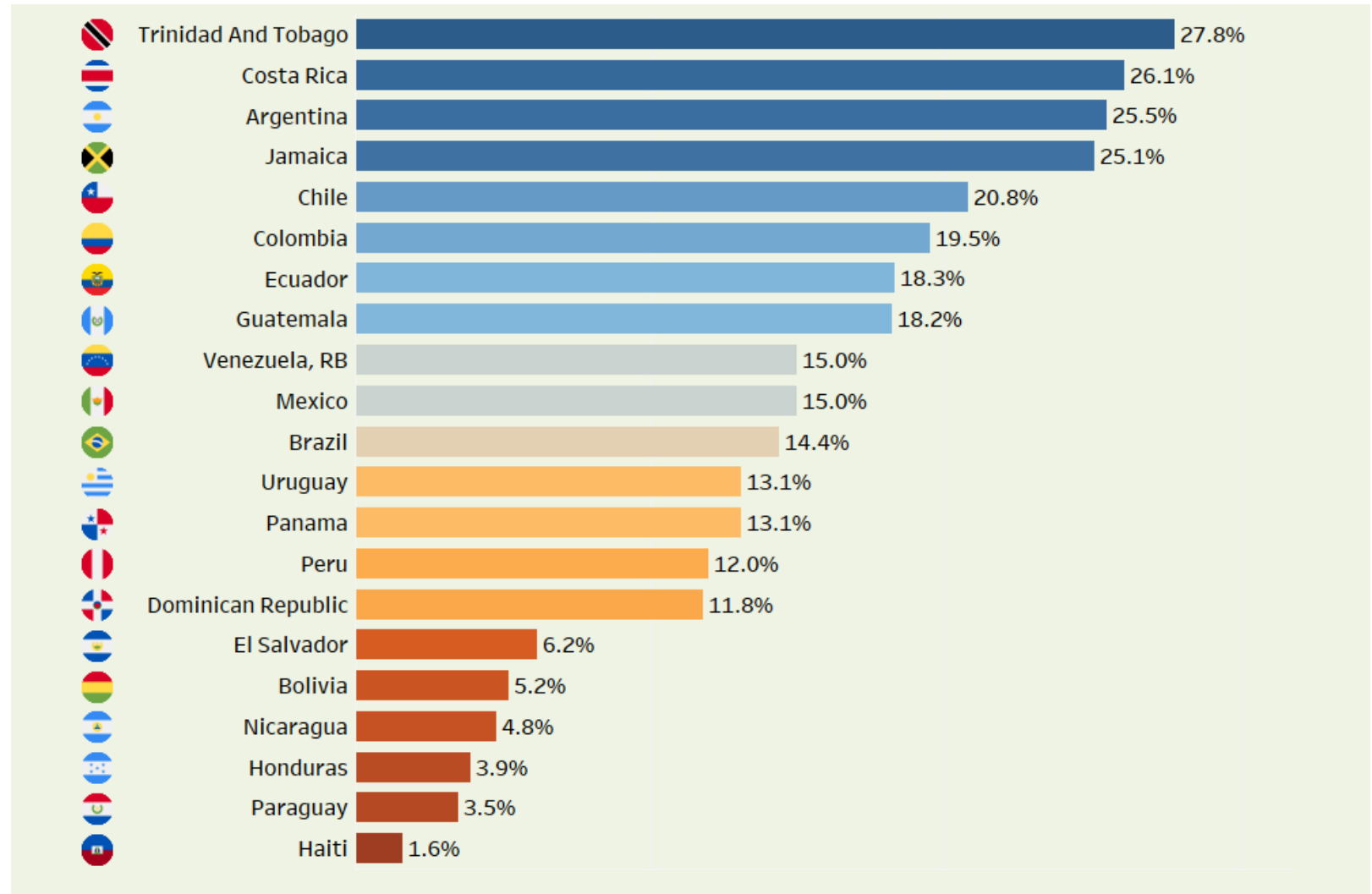


Source: Team analysis and estimations based on the global RDIT survey.

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As a share of the labor force, Trinidad and Tobago, Costa Rica, Argentina and Jamaica have the highest shares of online gig workers.

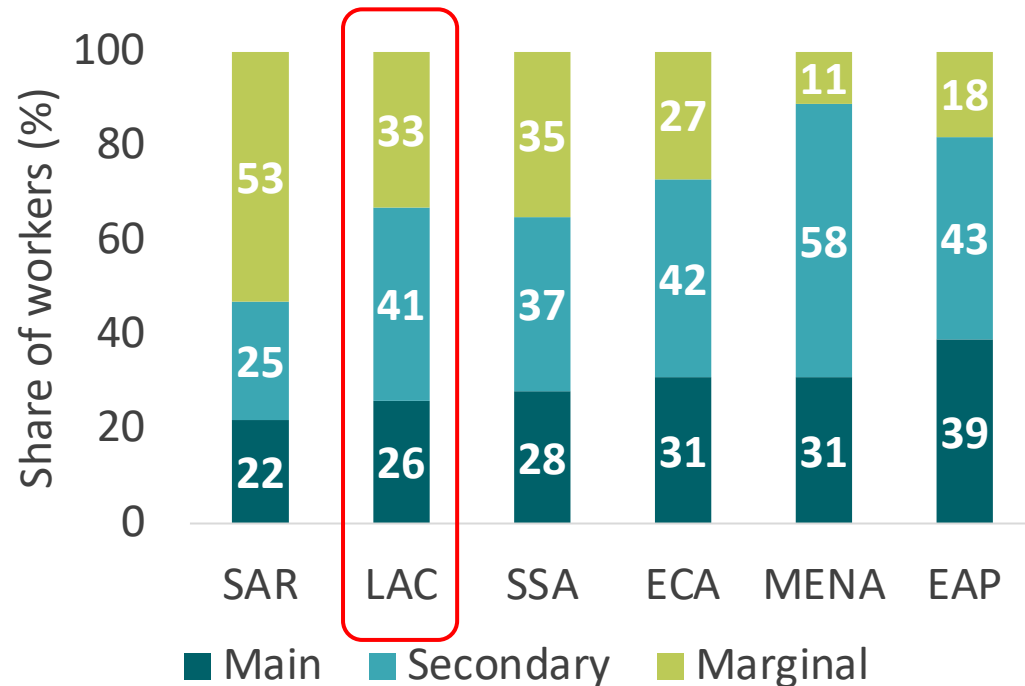
Online gig workers as a percentage of labor force in select countries in the LAC region



Source: Team analysis and estimations based on the global RDIT survey.

Online gig work is an important means of supplemental income, with potential for income smoothing.

Share of online gig workers based on intensity of work



Source: Analysis based on the global RDIT survey.

Intensity of work

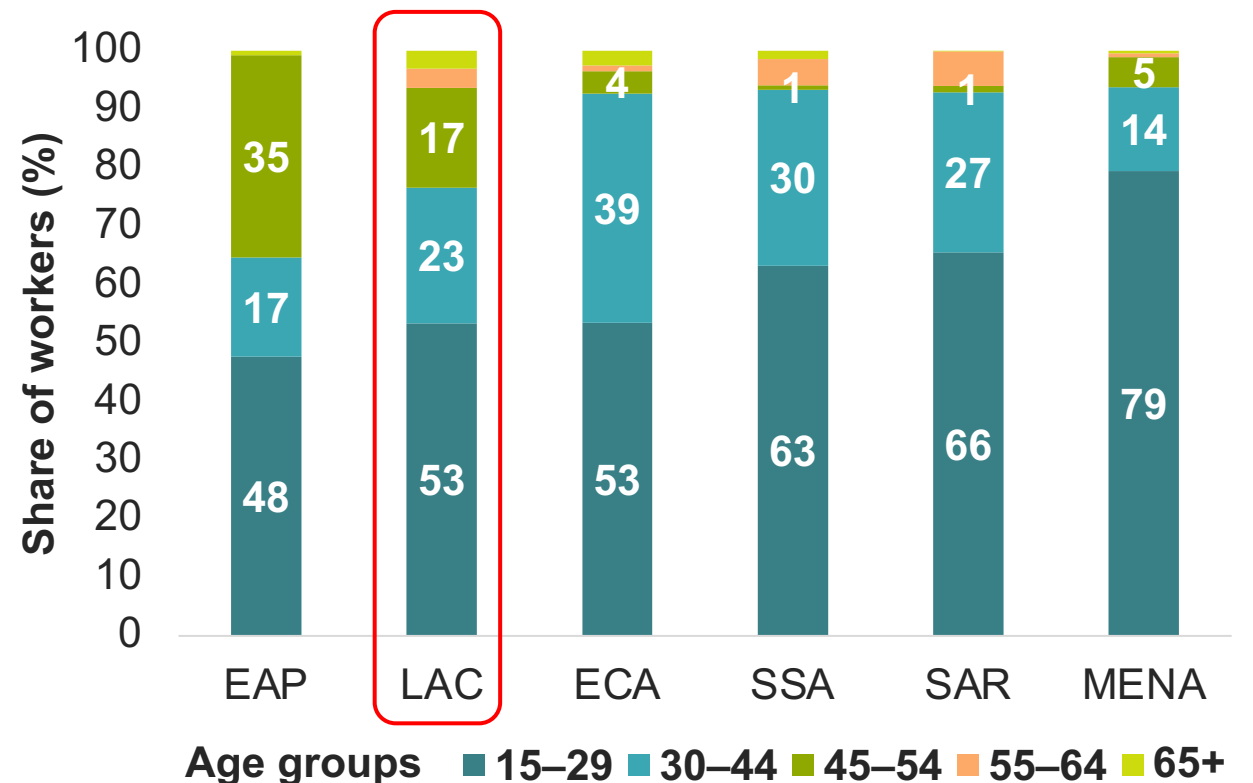
% of personal income	Less than 10 hours a week	Between 10 and 20 hours a week	More than 20 hours a week
Less than 25	Marginal	Secondary	Secondary
25 to 50	Secondary	Secondary	Main
More than 50	Secondary	Main	Main

Source: Adapted from Urzì Brancati et al. (2020).

Online gig work attracts youth and holds potential for countries grappling with high levels of youth un-/underemployment.

- The **majority** of online gig workers across regions are youth, **under the age of 30**.
- Online gig work offers young people:
 - ✓ The opportunity to learn **new skills**
 - ✓ A way of **earning income while studying**
 - ✓ **Flexibility** in managing their time.

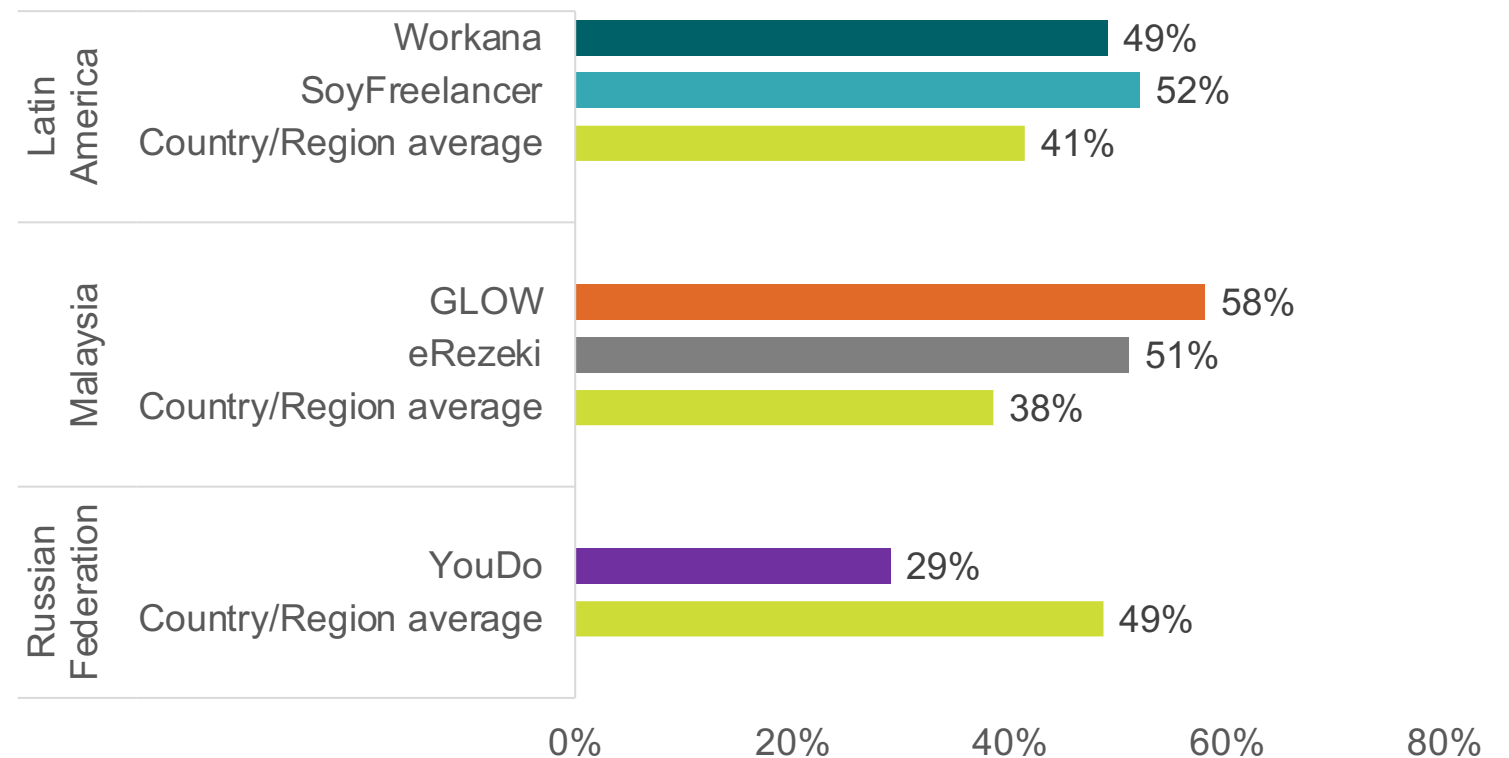
Age composition of online gig workers by region



Some online gig work platforms in LAC are better at including women compared to the traditional labor market.

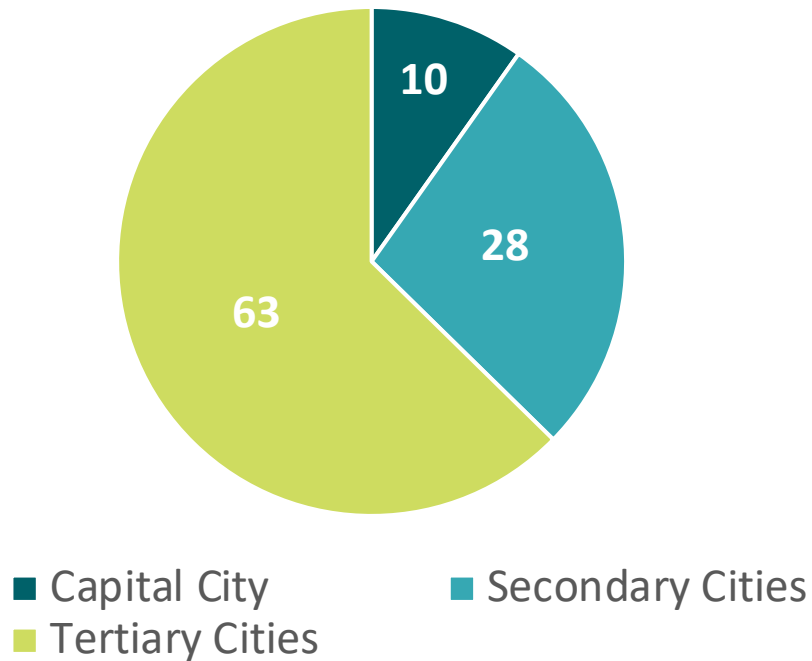
- On the Ecuador-based platform SoyFreelancer, women make up over half of online gig workers.
- Similarly, on the Argentina-based platform Workana, almost half of online gig workers are women, a greater share compared to the participation rate of women in the labor market in LAC (41%).

Women participation in the labor force and on select online gig work platforms / programs

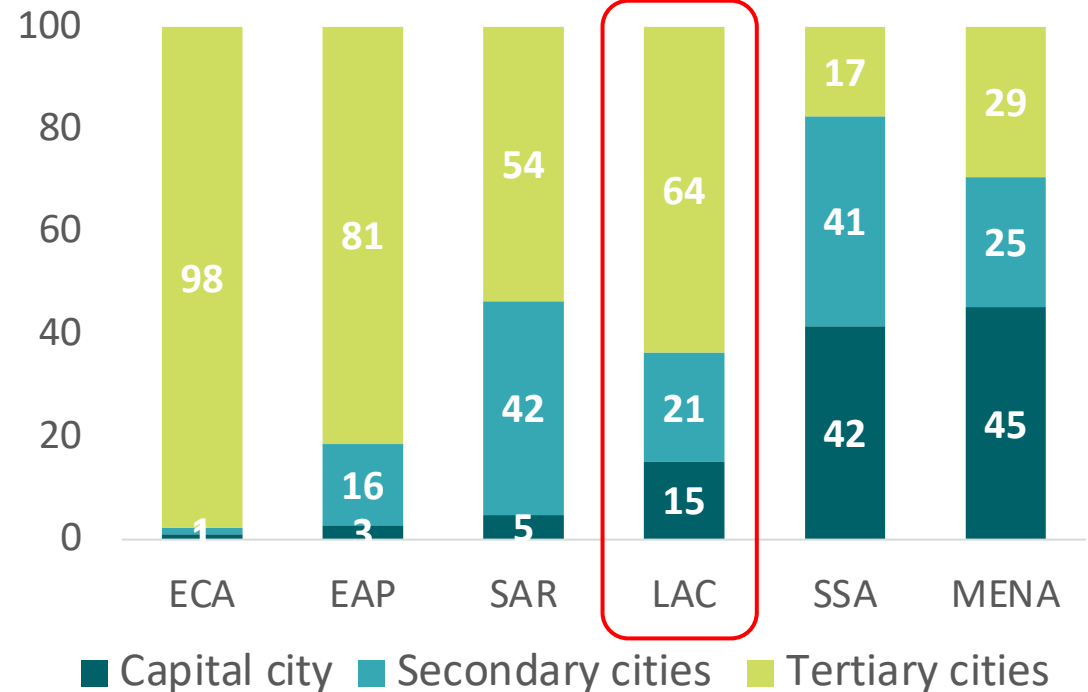


Gig work has the potential to address spatial inequality in accessing jobs: **over 6 in 10** gig workers live in smaller cities.

Distribution of online gig workers by city size

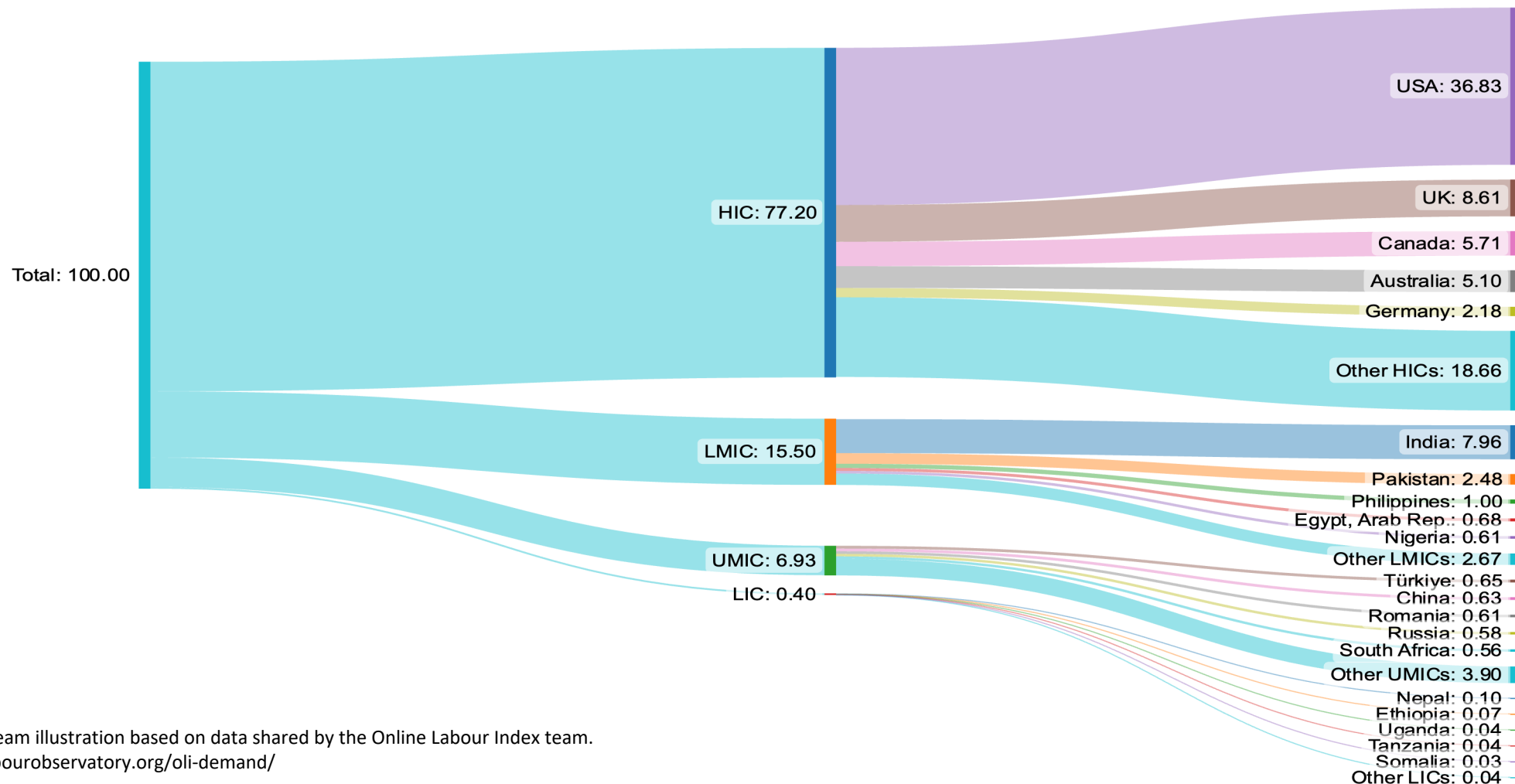


Distribution of online gig workers by city size and region



Source: Team Analysis of global RDIT survey.

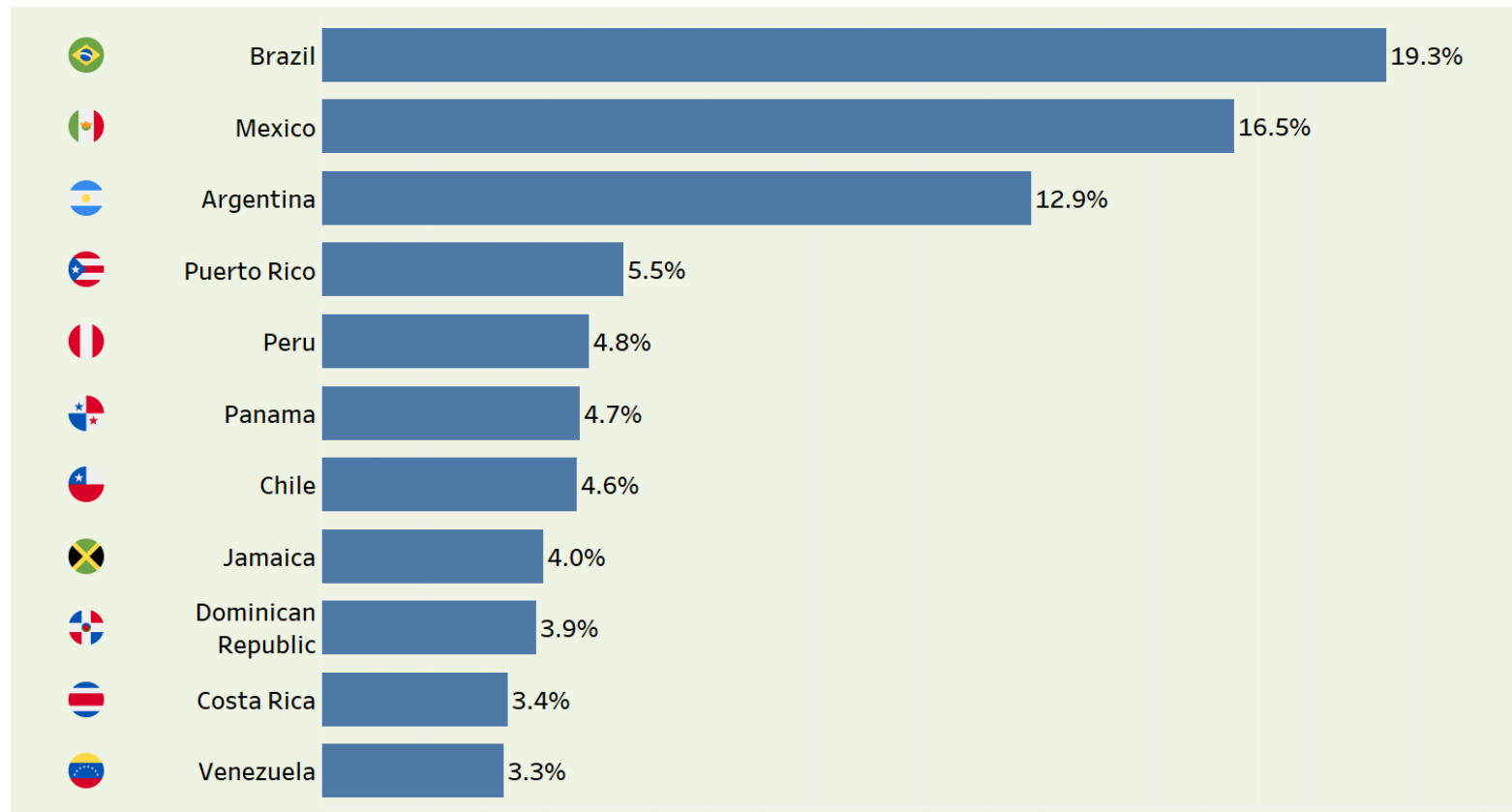
Developed countries dominate the demand for online labor, but the demand is growing faster in developing countries. MSMEs drive the demand for online gig workers.



Source: Study team illustration based on data shared by the Online Labour Index team.
<http://onlinelabourobservatory.org/oli-demand/>

Brazil, Mexico and Argentina account for nearly half of the demand for online gig workers in LAC.

Demand for online labor by country within the LAC region, 2022

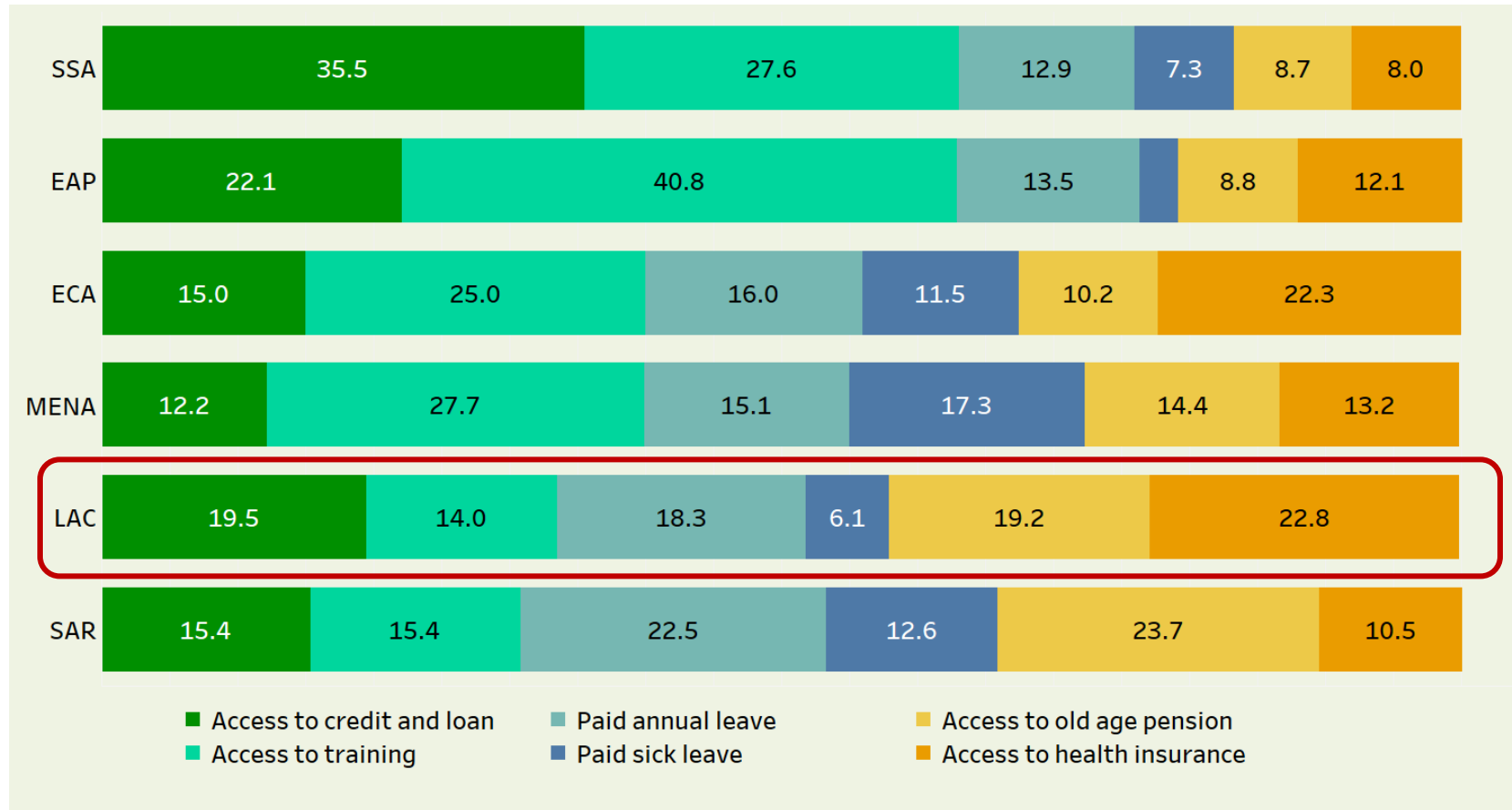


Source: Study team illustration based on data shared by the Online Labour Index team. <http://onlinelabourobservatory.org/oli-demand/>

Note: OLI tracks major global platforms: five of the largest English language platforms and six non-English language platforms. It could underestimate demand from non-English speaking countries.

Pension and health insurance are the most important benefits for gig workers in LAC, as well as less traditional benefits like access to credit.

What benefits are most important to online gig workers?



Source: Team Database, 2022.

Social protection policies for online gig workers need new approaches to limit risks and tap the opportunities on this new form of work.



Cover all informal workers, without segmenting to address “missing middle” in social protection



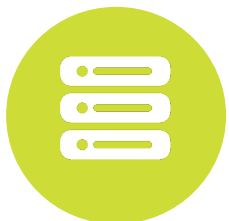
Partner with digital work platforms on broader policy goals, e.g., expanding social registries, economic inclusion



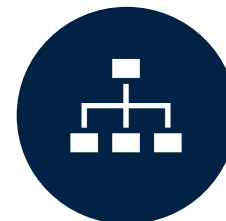
In the short run, innovate and experiment with social insurance designs



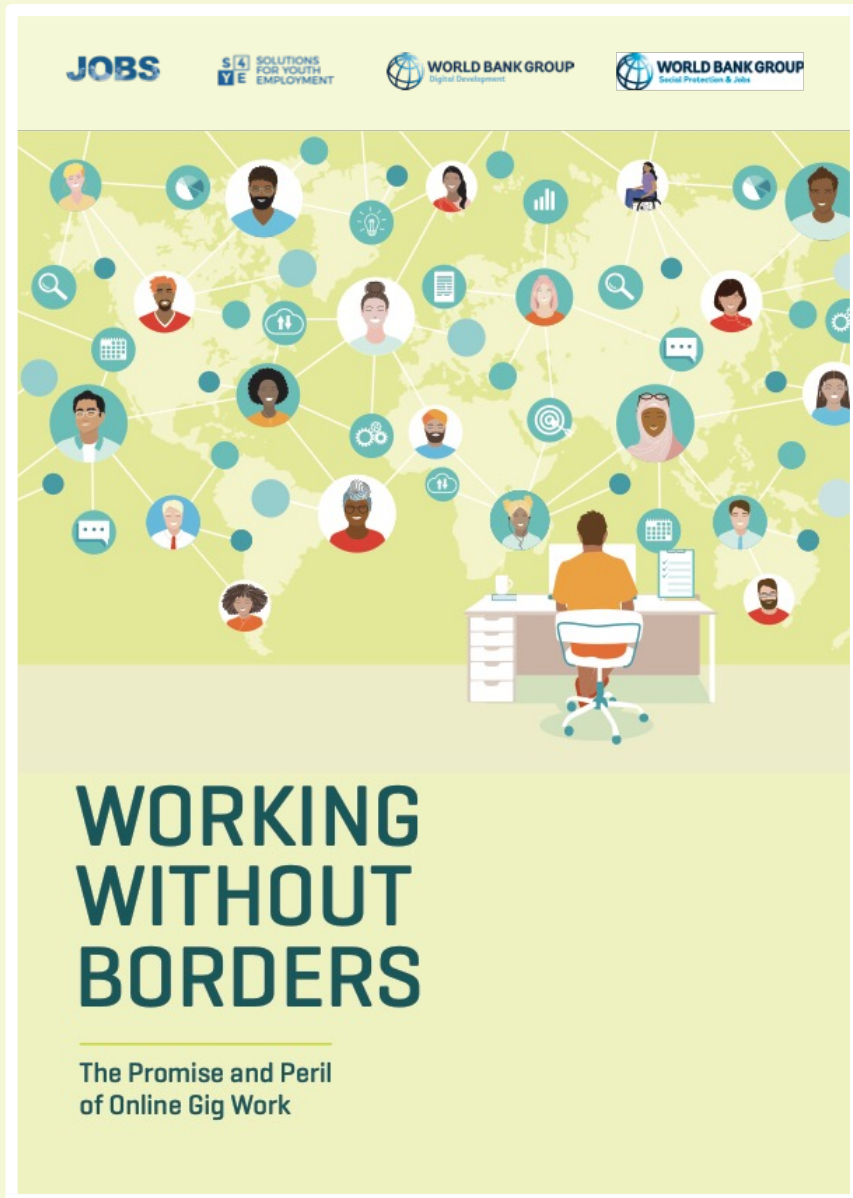
Support modern innovative models of collective bargaining



Collect data, track, and monitor scale of gig worker through augmented labor force surveys



For higher capacity governments, support steps to clarify status in employment



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